May, 1981 and the Delhi High Court gave judgement on 31st August, 1987 and gave direction to the Government to give hearing to the company and review the prices. The job to review the prices of Betamethasone and its salt was assigned for the sake of convenience to the Murthy Committee as this Committee was already engaged at this point of time in a similar task in the 12 companies involved in the Supreme Court. This case is now being finally heard in the Delhi High Court and the matter is therefore sub-judice.

Fall in consumption of drugs

2933. SHRIMATI SATYA BAHIN: Will the PRIME MINISTER be pleased to state:

(a) what are the reasons for decline in productien of Ranbaxy Labs. Ltd. bulk drugs produced from basic stages like Chlorampsenicol, Tetracycline Hcl, Ampicillin, Amoxicillin, Doxycycline, Gentamycin, Ranitidine, Cephalexin, Kenamycin, Sulphadiazine, Sulphamoxole and several other bulk drugs;

(b) whether it is a fact that exports of these drugs are finding their way back ino the country and also that records of imports of inputs, their utilisation and exports are being manipulated;

(c) whether the consumption of these drugs in the formulations has also fallen; if not, what steps Government have taken for consumption in formulations; and

(d) what are the details in this regard and what follow up action has been taken to investigate overcharging of prices of medicines from the consumer?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a), (c) and (d) To the extent data is available there is a decline in production of these drugs in the organised sector in 1991-92 as compared to that of the previous year. This declining trend is seen in the production figures of M/s. Ranbaxy Labs. also for drugs in their production range. The reasons for such reduction could be due to various factors such as change in demand pattern, enhanced production in the SSI Sector, corporate strategy, import compression measures, introduction of newer drugs etc. However, no shortages of these drugs have been reported. Whenever any instance of a company selling a formulation at a price higher than that fixed by the Government comes to notice, the matter is taken up with the company or state Drug Controller for clarification|necessary action.

(b) As regards the records for imports of inputs, their utilisation and exports, the Director General of Foreign Trade Organisation ensures that the specified quantities of imports and exports are in order.

Tinidazole being outside prices control

2934. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to state:

(a) what are the reasons for controlling price of Metronidazole and keeping Tinidazole outside price control;

(b) whether it is also a fact that cost of production of Tinidazole is less than the cost of production of Metronidazole but the formulations of the drugs are being sold at three times the price; and

(c) the reasons for such state of Affairs and what steps have been aken to look into the matter and bring down the price by bringing this drug under price control or otherwise?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) and (b) The list

of Category II Bulk Drugs under DPCO, 1987 was drawn on the basis of the main and supplementary Report of the Kelkar Committee, the copies of which are available in the Parliament Library.

(b) Position shall be ascertained and facts laid on the Table of the House.

Production of Erythromycin from fermentation

2935. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that M/s. Abbott Labs. refused to implement the letter of intent granted to them for production of Erythromycin from fermentation and if so, the reasons therefor;

(b) whether they were granted approval to product the drug from imported TIOC, if so, the reasons therefor and whether the condition of basic manufacture in a phased manner was not insisted upon; if so, the reasons therefor; and

(c) whether it is a fact that they were granted this approval ignoring the fact that the drug is being produced in the small scale sector by a number of units?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) The information is being collected and it will be laid on the Table of the House.

Desline in Profit of drug Companies

2936. SHRI H. HANUMANTHAPPA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Associations of Drug Industry made representation that their profitability is dealing due to existing price control;

(b) if so, the details thereof;

(c) whether Government have made any study of profitability;

(d) if so, names of the companies together with their profitability during last three years, year-wise;

(e) what was the import of raw materials including drugs, intermediates and penultimates and sales turn over of medicine of each of fifteen major multinational drug companies from the commencement of price control order 1987;

(f) whether it is a fact that prices of decontrolled medicines have gone up upto 400 per cent, imports and sales turn by three to four times after the announcement of price control order; and

(g) if so, what are the reasons for decline in profitability based on the study of Form-6 balance sheets?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) and (b) Yes Sir, the industry has been complaining generally of declining profitability?

(c) and (g) No separate study of profitability has been conducted except on the basis of data submitted by the companies in Form 6.

(d) Requisite details, to the extent available, are given in the enclosed Statement. (*See below*)

(e) and (f) Company wise imports are not monitored. Time and labour involved in compiling the remaining information would not be commensurate with the results likely to be achived. It is not correct to say that the prices of decontrolled medicines have gone up by 400 per cent.